SHRI TAPAN KUMAR SEN: Sir, I need your protection.

MR. CHAIRMAN: No, no. You have asked your supplementary.

SHRI RAJIV PRATAP RUDY: Sir, we have seen that the industry last year had shown a growth of 40 per cent. If the Government wants to speak out that this has happened because of the meltdown, it is not. Basically, Mr. Praful did not get the support either from the Right or from the Left in the last four years as a result of which this disaster has happened. But, Sir, my specific question here is something relating to the National Carriers – Indian Airlines and Air India. Sir, our National Carriers – Indian Airlines and Air India – were merged. If I am correct, the complete net worth of this airline has been eroded and it is in great debt. I do not know how this National Carrier is flying. I would like to know from the hon. Minister whether (a) Was Accenture a consultant to the merger of IA and AI? (b) And, was the same consultant also is a consultant to Kingfisher Airlines? This is a very important question. Along with it, has the merger of IA and AI failed? If so, is the Government thinking of having a re-look into the aspect of de-merger of IA and AI? It is concerning a very small part of your entire aviation industry. But, I think, it is very important to raise this question.

SHRI PRAFUL PATEL: Sir, this supplementary does not arise, in any way, out of the main question.

SHRI RAJIV PRATAP RUDY: Why are you running away, Mr. Praful?

SHRI PRAFUL PATEL: I can only tell you one thing.

Sir, the hon. Member has first raised about the issue of consultant. I would say that I am not aware of it. How is the Government aware of something or someone appointed someone as consultant. I am not aware of it. ...*(Interruptions)*... How can I reply to that question?

MR. CHAIRMAN: Question No. 203. That may be a valid point, but that does not arise out of this question. ...*(Interruptions)*...

SHRI PRAFUL PATEL: Put a specific question. ...*(Interruptions)*

Abolition of Travel Agency Commission

*203.SHRIMATI BRINDA KARAT: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government is aware of the fact that some airlines have declared abolition of Travel Agency commission and have advised to earn their income by charging the clients additional fees ranging from Rs. 350/- to Rs. 10,000/- over and above the ticket fares, which would be an additional burden to the public;

(b) if so, the details of airlines and the reasons for such abolition; and

(c) the measures taken by Government to correct the situation?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) and (b) Full Service Airlines earlier used to offer 5% commission to travel agents on basic fare. However, from 1st Nov., 2008, Air India (AI), Jet Airways and Kingfisher Airlines abolished the agency commission and introduced the transaction fee model. Subsequently Jet Airways and Kingfisher Airlines have started paying agency commission on basic fare and fuel surcharge. AI has abolished transaction fee from 2nd December onwards.

In case of Low Cost Carriers (LCCs), if the passenger opts to purchase a ticket through travel agent, there is transaction fee added on top of the total fare, which ranges 5 to 6% and it is entirely retained by the travel agent.

(c) Air ticket commission is a commercial matter between Travel Agencies and Airlines. Government does not regulate commercial matters of the Airlines.

SHRIMATI BRINDA KARAT: Sir, the House has heard with interest the concern expressed by the hon. Minister on the state of the aviation industry. He has listed four or five measures in the previous question as to how to bail out the aviation industry. While that point is well taken, I really wish that the Minister had shown equal concern to another component of that industry about ten lakh travel agents because the national airlines, the Air India, took the lead in abolishing the commission that travel agents have been given for the last so many years. In doing so, they created such a deep crisis not only for the passengers, but also for the families of those travel agents. Now, since you have given this bailout package, since you have expressed so much concern for the industry, my question to the hon. Minister is this. Do you not consider it the appropriate time to direct the Air India to restore the commissions that the travel agents were given earlier, so that both, the passengers who are now expected to pay the, additional charge for the service of the travel agent may save that extra burden, and, also, the travel agents may continue to earn a decent livelihood.

SHRI PRAFUL PATEL: Sir, first of all, there is a little clarification that there is nothing like a 'bailout package'. So, I would like to inform the House that it is nothing like a 'bailout package'. That itself is a wrong connotation as if some money is being paid by the Government to the aviation industry or to particular companies in the industry. The second thing is on the travel agent's commission. I would again like to state that the Air India, as the National Carrier, has not, I repeat, has not taken any lead on trying to abolish this kind of commission that was paid earlier. Before I address Brindaji's concern, I would also like to inform the House that aviation is a global industry. The aviation is not something that is restricted to India. There is an international code and a lot of benchmarks. And, just for the information of the House, in the United States, the travel agents get no commission; and, in Europe, it is about one per cent commission. And, for the information of most of the Members, I would say that in your own home you would find people going online and buying tickets on the net. Today, you can take a printout from the computer, go to the ticket counter and you can get your boarding card. I would like to tell you that the IATA has internationally made it mandatory, and India is also following the same mandatory regime, that all tickets have to be e-tickets. So, this is just to inform you that India is also on a par with the rest of the world that all

tickets, now, issued are e-tickets. Bulk of the tickets, today, are being bought on the net. Yes, travel agents, as an issue, I fully agree that in our country we have different issues; we have a lot of people who work in these agencies; there are a lot of concerns about jobs and employment, therefore, I fully share the concern which Brindaji has expressed here. I would also like to tell you that only on the 1st of November all the airlines, in their wisdom, because of high losses had decided that why not save five per cent because bulk of tickets were anyway being bought on the net. However, in view of the concern raised by them, we also advise them not to go against the overall trend. And, I am happy that the airlines have again started re-looking at this. I believe a week ago, the Jet Airways has reinstated the commission; and, four-five days ago, the Kingfisher Airlines has also done it. I have been told that Air India is also going to look at it in that direction. This is just to share with you the overall perspective and to tell you what the international trend of buying tickets in the world is.

SHRIMATI BRINDA KARAT: Thank you for that. Sir, I am happy that Air India is going to restore it. But, since the hon. Minister has shared certain information with the House, with your permission, I will follow suit. The IATA resolution 824 section 9 stipulates that airlines should remunerate agents for the sale of air tickets. I am sure, the hon. Minister is well aware of this. When you mention IATA, please look at the other resolution also which, specifically, protects the commission of agents who are selling air tickets.

Secondly, although America may or may not be giving commissions, there are a large number of countries like Japan, Australia, Pakistan, Sri Lanka, Yemen, Hong Kong, Korea, etc., which directly intervene to give commissions. The Government directly intervenes to ensure that commission is given to them. Today, almost all the major international airlines are giving and ensuring commission to the agents. The hon. Tourism Minister is here. She held a meeting yesterday to encourage tourism. Surely, you would want to bring travel agents also on board when we are facing a huge deficit in that sector. Therefore, looking at the important component the travel agents have in promoting both domestic and international tourist industry, I would like to know from the hon. Minister whether he would follow the example of many other countries apart from that of America. All the other countries have, in fact, guaranteed certain commissions to their travel agents. Would the Minister kindly inform the House whether he is prepared to take such an initiative?

SHRI PRAFUL PATEL: Sir, I think, I answered exactly what she has asked in part (b) of her supplementary. I said that this came into force only on 1st November. Today it is only 16th December. In the interim period, we already advised them and things are back to normal. I have said that IATA does not mandate it in the language which you have just mentioned. But, still, as Government, we have advised them and I am happy to inform you that they have responded.

SHRI BIRENDRA PRASAD BAISHYA: Mr. Chairman, Sir, by withdrawing the commission, the Government is going to create more unemployment problem again. Due to this decision taken by the airline companies, more than 10,00,000 travel agents and 50 lakh dependent family members will lose their bread and butter. The hon. Minister has, categorically, said that this is not a world phenomenon. But, I would say that this is a world phenomenon. And, Shrimati Brinda Karat is very, very correct in saying that many countries including our neighbouring countries like Sri Lanka and Pakistan are giving commission to agents. Sir, Air India is running in losses. It was in losses in 2008. Air India is facing losses to the tune of Rs. 4,500 crores.

But, Sir, they have provided more than 245 free tickets. So, I want to know from the hon. Minister: To whom have they provided these free tickets? And, why did they provide these free tickets?

SHRI PRAFUL PATEL Sir, I don't have the details, but, I will be happy to inform the hon. Member as to what the decisions of the airlines companies are, and whatever specific information he wants, he can write to me. I shall be happy to provide it.

DR. KARAN SINGH: Mr. Chairman, Sir, I am very glad that the hon. Member, Shrimati Brinda Karat, has raised this question of travel agents. I think it is very important to remember that travel agents play a critical role not only in the selling of tickets, but also in making a whole package for the tourists; in organising their trips, hotel stay, passports, transportation, etc.

And, this is one service, Sir, which is entirely free to the customer; the customer does not pay anything. The agents get their commissions from the airlines or from the hotel. So, if the travel agents are crippled, then I am sure, it will have a very negative effect on tourism. I just want to make this point: Will the hon. Minister keep in mind that apart from the aviation sector, the role of travel agencies in promoting tourism is critical and crucial?

SHRI PRAFUL PATEL: Sir, I respect what you have said and, as I said, our response has been keeping in view the sentiments which you have just now expressed.

SHRI MANOHAR JOSHI: Sir, the Minister has said in his reply that commission on air tickets is a commercial matter between the travel agencies and the airlines. That is the crux of the reply given by the Minister, and, therefore, the Minister has also contended that the Government does not regulate commercial matters of the airlines.

Sir, this needs to be looked into very seriously because it indicates that the Government does not want to intervene in the matter at all. Is it not the responsibility of the Government to look after the agents also from the point of view of their possible unemployment and also from the point of view of their being businessmen whose interests also need to be safeguarded. From this point of view, would the Government like to regulate such matters in future?

SHRI PRAFUL PATEL: Sir, I have given a very categorical reply. I gave a little bit of an idea about the industry, but I also share the concerns that the hon. Members have expressed here. Therefore, we advised the airlines and also got a good response from them. The Government is not insensitive to the concerns raised by hon. Members here as also suggestions made by hon. Dr. Karan Singh, Brindaji and others. So, we are very positive. However, in terms of regulation, this sector has been deregulated and, that is why, we are finding better pricing, better service, more competition, more choice and more connectivity. Wherever we feel we need to intervene, we shall intervene.

आतंकवाद का पर्यटन पर असर

*204. **श्री श्री गोपाल व्यास**: क्या **पर्यटन** मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या आतंकी गतिविधियों के चलते पर्यटन प्रभावित हुआ है;

(ख) यदि हां, तो किस सीमा तक; और